



TOWN OF MAYNARD
Department of Public Works
MUNICIPAL BUILDING

195 Main Street
Maynard, MA 01754
Tel: 978-897-1317 Fax: 978-897-7290
www.townofmaynard-ma.gov

Justin DeMarco
Director of Public Works

<i>Administration</i>	<i>Cemetery & Parks</i>	<i>Facilities</i>	<i>Highway</i>	<i>Water & Sewer</i>	<i>WWTP</i>
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Memorandum

To: Board of Selectman
From: Justin DeMarco, DPW Director
CC: Greg Johnson, Town Administrator
Date: April 8, 2020
Subject: Water & Sewer Rate Adjustment

Recommended Action:

Motion to approve an increase to the price of the Town of Maynard's water and sewer utility use rates for fiscal year 2021 to reflect exhibit 1 and 1a

Enterprise funding Analysis:

The Department of public works in conjunction with the Towns Finance Director, Treasurer Collector, and Pioneer Consulting "subject matter expert" developed and analyzed the two scenarios listed on exhibit A

Analysis consisted of the following:

- Current & Past water use rates
- Current & Past financial trends
 - o Revenue
 - o Expenditure
 - o Debt
 - o Exemptions
- Water & Sewer Capacity
- Water & Sewer Capital improvement plan
- Wastewater Treatment Plant Capital Improvement plan
- Current & Future development
- Comparable water district rates

Given the current financial environment of the community in conjunction with the age and condition of the water and sewer utility the need to review and adjust rates on a regular basis is necessary. Services such as water & sewer utilities should be financially stable, allowing the department to produce a consistent and reliable utility. Strong consideration has been given to the

current situation regarding the financial impact to users during the COVID-19 pandemic. The rates that are recommended have been adjusted from the previous recommendation with regards to impact on all users of the utility within the town.

Impact:

Town of Maynard average water and sewer use rates fall within the 1,500cf – 2,500cf range, with some users in the low range 500cf, and others over 5,000cf per quarter

Maynard uses a tiered water & sewer rate system, the average financial impact to households will roughly equate to the following

- The financial impact with the rate change on an average household within the community are as follows for the use of both Water & Sewer
 - 1,500cf of use: additional cost:
 - Per year = \$49.20
 - Per quarter = \$12.30
 - Per month = \$4.10
 - 2,000cf of use: additional cost:
 - Per year = \$67.20
 - Per quarter = \$16.80
 - Per month = \$5.60
 - 2,500cf of use: additional cost:
 - Per year = \$85.20
 - Per quarter = \$21.30
 - Per month = \$7.10

This Rate change will help to maintain operating levels for fiscal year 2021 of the water and sewer utility enterprise fund

This rate increase will pay for the final stage of onboarding and utilizing the new Well source: 4A.

This rate change will not provide a funding mechanism for the following, redesign and build of Old Marlborough road treatment facility to re-activate closed well (0.5MGD), Whites pond piloting and permitting process (1.0MGD) or permitting and piloting program for the addition of the last remaining Rockland well expansion (0.20MGD)

This rate change will not allow for the development of two vital sewer models

1. Loads and Flow
2. Bio-Winn

Each will work in tandem to allow the town to properly determine its sewer capacity for both current and future capabilities for the town's wastewater treatment plant to support development

Outreach Process

Inform residents through Website, Facebook, Hyper-link, published local papers, Digital sign board, mailings (est. cost \$2800).

TOWN OF MAYNARD, MA
Current vs Proposed Rates & Charges
Water Division

Exhibit 1

	Current Rates FY 2020	Proposed 1 Year Rate FY 2021	Dollar Increase	Percentage Increase
IN TOWN CUSTOMERS				
Minimum Charge - Quarterly - Includes 0 CF	\$20.00	\$22.00	\$2.00	10.00%
Meter Water Charges - Quarterly - per 100 CF				
1st Step 1-500 CF	\$2.70	\$2.78	\$0.08	2.96%
2nd Step 501-1,000 CF	\$6.84	\$7.11	\$0.27	3.95%
3rd Step 1,001-2,500 CF	\$7.35	\$7.72	\$0.37	5.03%
4th Step Over 2,500 CF	\$8.38	\$8.88	\$0.50	5.97%
OUT OF TOWN CUSTOMERS				
Minimum Charge - Quarterly - Includes 0 CF	\$30.00	\$33.00	\$3.00	10.00%
1st Step 1-500 CF	\$3.78	\$3.89	\$0.11	2.91%
2nd Step 501-1,000 CF	\$9.58	\$9.96	\$0.38	3.97%
3rd Step 1,001-2,500 CF	\$10.29	\$10.81	\$0.52	5.05%
4th Step Over 2,500 CF	\$11.73	\$12.43	\$0.70	5.97%
Private Fire Protection - Annual Charge				
Hydrant	\$250.00	\$250.00	\$0.00	0.00%
2"	\$40.00	\$40.00	\$0.00	0.00%
3"	\$80.00	\$80.00	\$0.00	0.00%
4"	\$125.00	\$125.00	\$0.00	0.00%
6"	\$250.00	\$250.00	\$0.00	0.00%
8"	\$400.00	\$400.00	\$0.00	0.00%
10"	\$580.00	\$580.00	\$0.00	0.00%
Backflow Prevention				
Per Test	\$75.00	\$75.00	\$0.00	0.00%

TOWN OF MAYNARD, MA				Exhibit 2a	
WATER ENTERPRISE FUND					
IMPACT ANALYSIS - FY 2021					
Water Division					
Meter Size	Quarterly Quantity Cubic Feet	Current Rates Quarterly	Proposed Rates Quarterly	Difference	Percentage Difference
	0	\$20.00	\$22.00	\$2.00	10.00%
	100	\$22.70	\$24.78	\$2.08	9.16%
	200	\$25.40	\$27.56	\$2.16	8.50%
	300	\$28.10	\$30.34	\$2.24	7.97%
	400	\$30.80	\$33.12	\$2.32	7.53%
Low usage	500	\$33.50	\$35.90	\$2.40	7.16%
	1,000	\$67.70	\$71.45	\$3.75	5.54%
	1,500	\$104.45	\$110.05	\$5.60	5.36%
	2,000	\$141.20	\$148.65	\$7.45	5.28%
Average usage	2,500	\$177.95	\$187.25	\$9.30	5.23%
	3,000	\$219.85	\$231.65	\$11.80	5.37%
	3,500	\$261.75	\$276.05	\$14.30	5.46%
	4,000	\$303.65	\$320.45	\$16.80	5.53%
	4,500	\$345.55	\$364.85	\$19.30	5.59%
	5,000	\$387.45	\$409.25	\$21.80	5.63%
	6,000	\$471.25	\$498.05	\$26.80	5.69%
	7,000	\$555.05	\$586.85	\$31.80	5.73%
	8,000	\$638.85	\$675.65	\$36.80	5.76%
	9,000	\$722.65	\$764.45	\$41.80	5.78%
	10,000	\$806.45	\$853.25	\$46.80	5.80%
	12,500	\$1,015.95	\$1,075.25	\$59.30	5.84%
	15,000	\$1,225.45	\$1,297.25	\$71.80	5.86%
	17,500	\$1,434.95	\$1,519.25	\$84.30	5.87%
	20,000	\$1,644.45	\$1,741.25	\$96.80	5.89%
	30,000	\$2,482.45	\$2,629.25	\$146.80	5.91%
	40,000	\$3,320.45	\$3,517.25	\$196.80	5.93%

TOWN OF MAYNARD - DPW
Current vs Proposed Rates & Charges
Sewer Division

Exhibit 1a

IN TOWN CUSTOMERS

Minimum Charge - Quarterly - Includes 0 CF

Meter Sewer Charges - Quarterly - per 100 CF

1st Step 1-500 CF

2nd Step: 501-2,500 CF

3rd Step: Over 2,500 CF

Impact Analysis

0 CF

500 CF

1,000 CF

1,500 CF

2,000 CF

2,500 CF

4,000 CF

5,000 CF

OUT OF TOWN CUSTOMERS

Minimum Charge - Quarterly - Includes 0 CF

Meter Sewer Charges - Quarterly - per 100 CF

1st Step: 1 - 500 CF

2nd Step: 501 - 2,500 CF

3rd Step: Over 2,500 CF

	Current Rates FY 2020	Proposed One Year Rate FY 2021	Dollar Increase	Percentage Increase
Minimum Charge - Quarterly - Includes 0 CF	\$50.00	\$50.00	\$0.00	0.00%
Meter Sewer Charges - Quarterly - per 100 CF				
1st Step 1-500 CF	\$5.50	\$5.78	\$0.28	5.09%
2nd Step: 501-2,500 CF	\$10.60	\$11.13	\$0.53	5.00%
3rd Step: Over 2,500 CF	\$13.00	\$13.65	\$0.65	5.00%
Impact Analysis				
0 CF	\$50.00	\$50.00	\$0.00	0.00%
500 CF	\$77.50	\$78.90	\$1.40	1.81%
1,000 CF	\$130.50	\$134.55	\$4.05	3.10%
1,500 CF	\$183.50	\$190.20	\$6.70	3.65%
2,000 CF	\$236.50	\$245.85	\$9.35	3.95%
2,500 CF	\$289.50	\$301.50	\$12.00	4.15%
4,000 CF	\$484.50	\$506.25	\$21.75	4.49%
5,000 CF	\$614.50	\$642.75	\$28.25	4.60%
OUT OF TOWN CUSTOMERS				
Minimum Charge - Quarterly - Includes 0 CF	\$73.75	\$73.75	\$0.00	0.00%
Meter Sewer Charges - Quarterly - per 100 CF				
1st Step: 1 - 500 CF	\$7.70	\$8.09	\$0.39	5.06%
2nd Step: 501 - 2,500 CF	\$14.84	\$15.58	\$0.74	4.99%
3rd Step: Over 2,500 CF	\$18.20	\$19.11	\$0.91	5.00%

TOWN OF MAYNARD - DPW			Exhibit 2a		
IMPACT ANALYSIS					
Sewer Division - FY 2021					
Meter Size	Quarterly Quantity Cubic Feet	Current Rates Quarterly	Proposed Rates Quarterly	Difference	Percentage Difference
All Sizes	0	\$50.00	\$50.00	\$0.00	0.00%
	100	\$55.50	\$55.78	\$0.28	0.50%
	200	\$61.00	\$61.56	\$0.56	0.92%
	300	\$66.50	\$67.34	\$0.84	1.26%
	400	\$72.00	\$73.12	\$1.12	1.56%
Low Usage	500	\$77.50	\$78.90	\$1.40	1.81%
	1,000	\$130.50	\$134.55	\$4.05	3.10%
	1,500	\$183.50	\$190.20	\$6.70	3.65%
	2,000	\$236.50	\$245.85	\$9.35	3.95%
Average User	2,500	\$289.50	\$301.50	\$12.00	4.15%
	3,000	\$354.50	\$369.75	\$15.25	4.30%
	3,500	\$419.50	\$438.00	\$18.50	4.41%
	4,000	\$484.50	\$506.25	\$21.75	4.49%
	5,000	\$614.50	\$642.75	\$28.25	4.60%
	6,000	\$744.50	\$779.25	\$34.75	4.67%
	7,000	\$874.50	\$915.75	\$41.25	4.72%
	8,000	\$1,004.50	\$1,052.25	\$47.75	4.75%
	9,000	\$1,134.50	\$1,188.75	\$54.25	4.78%
	10,000	\$1,264.50	\$1,325.25	\$60.75	4.80%
	20,000	\$2,564.50	\$2,690.25	\$125.75	4.90%
	30,000	\$3,864.50	\$4,055.25	\$190.75	4.94%
	40,000	\$5,164.50	\$5,420.25	\$255.75	4.95%

Attached Documentation:

- “Setting Water Rates in Massachusetts: Important Lessons Learned from Suppliers”
Massachusetts joint research study conducted by DER and DCR
- Summary of findings
- Whites pond treatment and transmission study / Water capacity memo
- Town of Maynard Water and Sewer Capital improvement plan